Introduction to the Defense Personal Property Program: Phase I

January 2005

Training Overview

Phase I Process Training

This introduction will provide a basic overview of the Phase I process and how it will affect personal property shipments for the Department of Defense (DoD).

Training Objectives

When you have completed this training, you will be able to:

- **Outline the Phase I process from start to finish**
- **Describe the life cycle of a personal property shipment**
- **Identify significant business rules within the personal property shipping process**
- **Describe the general capabilities of the Phase I software tools (Central Web Application and PowerTrack)**

CWA and PowerTrack Training

Once you have completed the three training modules, you will be trained on the Central Web Application (CWA) and PowerTrack.

While the intent of this initial training is to instruct you on the overall process, the CWA and PowerTrack training will teach you how to use the systems for Phase I.

What is Phase I of Defense Personal Property Program

- **The Defense Personal Property Program (DP3) encompasses DoD's effort to reengineer the Household Goods process for the future**
- **Phase I is the first step in the move towards the reengineered Personal Property program of the future**
- **The goal of Phase I is to improve the electronic billing and payment process in the current program using CWA and PowerTrack**

What is the CWA?

- **The Personal Property Central Web Application (CWA) is a web-based Government system that will be used for:**
  - **Reviewing and approving services online**
  - **Costing shipments**
- **The CWA will be used in conjunction with the Transportation Operational Personal Property Standard System (TOPS)**

What is PowerTrack?

- **In addition to the CWA, PowerTrack will also be implemented as a part of Phase I**
- **PowerTrack is U.S. Bank's web-based, commercial business-to-business payment system**
- **PowerTrack will be used for payment of Transportation Service Provider (TSP) invoices**

Phase I Benefits

Here are some of the benefits of implementing Phase I:

- Provides information visibility for Personal Property Shipping Offices (PPSOs), Services, Coast Guard, General Services Administration (GSA), and TSPs
- Helps in managing day-to-day operations and tracking performance utilizing CWA and PowerTrack's reporting capability
- Satisfies GSA pre-payment audit requirements
- Increases use of electronic commerce

Impact of Phase I

- **With the introduction of Phase I, there will be fundamental process changes for stakeholders in the Personal Property payment process, most notably for PPSOs, TSPs, and the Financial Community**

- **Service Members and Civilians who are being moved will not be impacted by electronic billing and payment changes**

Implementation

- **The following elements of the current program will remain the same under Phase I:**
  - **Use of the Military Rate Tender (MRT)**
  - **Move Counseling by PPSO**
  - **Use of the Transportation Operational Personal Property Standard System (TOPS)**
  - **TSP Selection and Booking**
  - **Shipments that are not a part of Phase I will be processed as they are today in the current program**

Shipments Included in Phase I

Here is the scope of shipments for Phase I:

- **Phase I will include participating Service and Coast Guard Sites for Codes 1-8, T, and J shipments**
- **With Code 5, T, and J shipments, the portion transported by the TSP will be paid by PowerTrack, while the portion transported by AMC/MSC will be paid as it is today in the current Personal Property program**

Shipments Included in Phase I

- **Any shipment that moves on a PPBoL or PPGBL will be a part of Phase I, with the exception of:**
  - **Non-Temporary Storage**
  - **Shipments moved under local contracts (e.g., delivery out of SIT after conversion to customer expense)**
  - **Direct Procurement Method**
  - **Personally Procured Moves**
  - **Special Solicitations (e.g., shipments to Kuwait, Cairo, Thailand, etc.)**
  - **Shipments moved under Privately Owned Vehicle (POV) contracts**

What is unique about Phase I?

- **Shipments awarded in TOPS must meet the criteria for being in Phase I:**
  1) **Moving only between two of the participating GBLOCs,**
  2) **Being moved by a participating TSP, and**
  3) **Constituting the type of shipments that are covered in Phase I**
- **TOPS will automatically identify the shipments that are a part of Phase I. PPSO will not have to do anything differently in TOPS than they do today**

What is unique about Phase I?

- **Shipments awarded before the Phase I start date, as well as shipments not part of the program, will be processed as they are today in the current program**
- **TSPs who participate in the program may tack on a 1% surcharge to each invoice**
- **It is important to note that:**
  - **TSP selection will happen the same way it does today in TOPS**
  - **Allocation of shipments to TSPs will not be impacted by whether the TSPs are participating in Phase I or not**

What was the EP for Phase I?

- The initial rollout of Phase I served as the Evaluation Period (EP) for the Phase I processes
- Initial rollout began in March 2004
- EP involved a limited number of PPSO Sites and TSPs
- Only includes shipments between participating GBLOCs
- SDDC's goal with the EP was to thoroughly test and validate the Phase I processes prior to expansion to the remaining PPSO Sites and TSPs

Phase I Status

- **28 sites are committed to Phase I**
  - **The program went live with 7 sites on 29 March 2004:**
  - **26 Sites live (01/04/2005)**
  - **SDDC continues to add sites per Service and DFAS agreement**
- **As of 04 January 2005:**
  - **2479 shipments booked in CWA**
  - **1461 Invoices paid in PowerTrack (~$5.7M)**
  - **Average time to pay TSP Invoices ~ 10 calendar days**

PPSO Checklist

- **Make sure computer systems meet the system requirements for using CWA and PowerTrack**
  - **Test connectivity to CWA**
- **Set up a PowerTrack account with U.S. Bank and get PowerTrack user IDs and passwords**
  - **Test connectivity to PowerTrack**
- **If not currently an Electronic Transportation Acquisition (ETA) user, register for ETA**
- **Register for CWA in ETA**

PPSO Checklist

- **Ensure that a Certifying Officer (CO) has been appointed for the PPSO**
  - **Fax DD577 paperwork to DFAS-IN**
    Phone (317) 510-2358, DSN 699
    Fax (317) 510-5717
- **Complete Training for Phase I**
  - **Process Overview / Business Rules (This session)**
  - **PowerTrack Training with US Bank**
  - **CWA Training**
  - **CO Training – a separate session with US Bank on certifying the monthly PowerTrack PSI**

TSP Checklist

Here are the steps that TSPs need to complete:

- Make sure computer systems meet the system requirements for using CWA and PowerTrack
- Sign a PowerTrack agreement with U.S. Bank. Set up a PowerTrack account with U.S. Bank and get PowerTrack user IDs and passwords
- If not currently an ETA user, register for ETA
  - Register for CWA on ETA
- Test connectivity to CWA and PowerTrack
- If submitting electronic invoices, submit three successful invoice transmissions via HTTPS to PowerTrack, including returned EDI 997 processing
- Complete training sessions

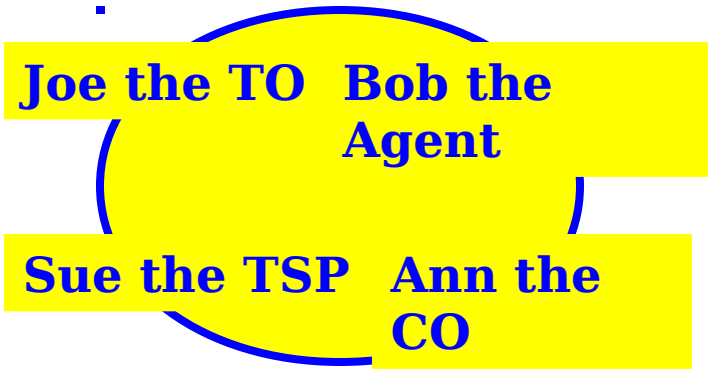
Phase I Contacts

For Questions Concerning:	Org.	Name	Phone	E-Mail
CWA, ETA, and the Defense Personal Property Program	SDDC	CWA Help Desk	(703) 428-3230 DSN: 328 **800-331-7348**	Sddc.safb.cwahd@us.army.mil
PowerTrack		Bank Help Desk	(866) 561-6930 **800-101-5396**	powertrack@usbank.com (Enter “HHG” in the subject line)

Life Cycle of a Shipment

The life cycle of a personal property shipment of Phase I begins when orders are received by the Transportation Officer and ends when DFAS has paid U.S. Bank.

The following scenario is a typical example of this reengineered transportation process.



Joe the Transportation Officer (TO) receives orders from the Service Member/Civilian being moved.

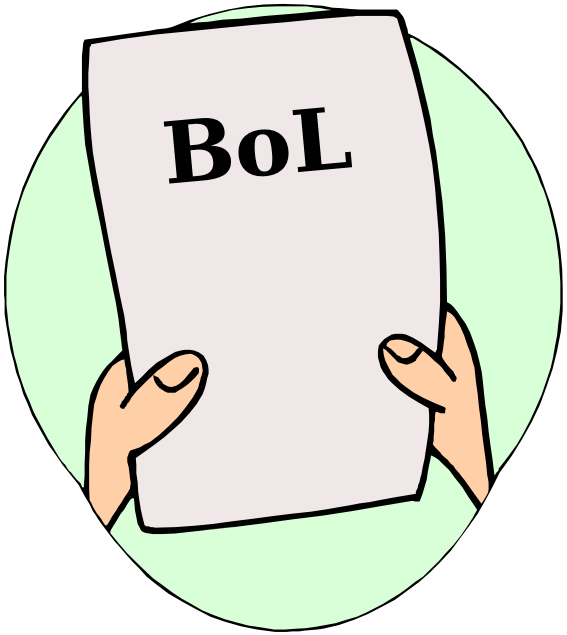
He counsels the Service Member/Civilian, enters data into TOPS, and selects the Transportation Service Provider (TSP) as he does

program.

Business Rules: The orders issuing process will <u>remain unchanged</u> for the Phase I implementation.

The TO will not have to handle Defense Personal Property Programshipments differently when working in TOPS. TOPS will identify which shipments are a part of the Phase I by automatically populating the "Bill To:" field on the BoL with "US Bank PowerTrack"

Joe the TO prints out the Bill of Lading (BoL) and provides a copy to Bob the Agent.



Business Rules: The printing of the BoL triggers the feed of data from TOPS to CWA. It needs to be completed after booking to ensure that the data will be in CWA by the time the pre-move survey is completed.

Once the data is in the CWA, the TSP will be able to print additional copies of the BoL from the CWA.

Bob the Agent performs the pre-move survey and identifies accessorial services requiring pre-approval.

Business Rule: The accessorial services requiring pre-approval remain the same as in the current program.

Bob the Agent can request pre-approval over the telephone or by fax from Joe the TO.

Business Rules: Pre-approval of these items must be received before the Agent can perform the service.

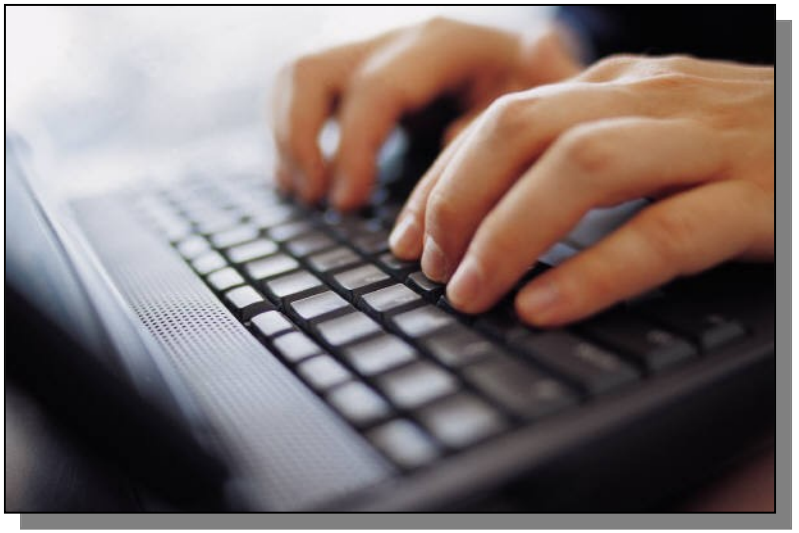
Joe the TO logs on to the CWA and pre-approves or denies each service.

With services that have been denied, Joe enters the reasons in the Notes field.

Business Rules: The PPSO will only pre-approve or deny the services to be performed. The quantities are likely to be unknown at this interval.

Bob the Agent performs services and delivers shipment to Storage In Transit (SIT) or Destination.

Within seven days of pickup, Sue the TSP will provide the hard copy weight ticket to Joe the TO. TO will enter the actual weight into TOPS. <u>TSP is not required to submit the hard copy 619</u>.



619 signature required?

Business Rules: The TSP will maintain copies of all DTR required documents (i.e., annotated BoL, inventory, signed 619, and weight tickets) for audit and dispute purposes.

The PPSO will request documentation from the TSP on a 10% random sampling basis <u>or as deemed necessary.</u>

GSA reserves the right to request hard copy supporting documentation (copies or originals) from the TSP to conduct post-payment audits.

Once the shipment has been picked up and delivered, Sue the TSP submits an invoice to PowerTrack for the services provided, along with the Notice of Service Completion (NOSC).

Business Rules: The invoice and NOSC can be submitted either electronically via an EDI 859 transaction set (preferred) or manually via the PowerTrack web interface.

TSPs have the choice of submitting more than one invoice against a single BoL. Each invoice must contain the unique BoL number and the TSP assigned invoice number.

The invoice data that is fed to PowerTrack by the TSP is then forwarded on to CWA for PPSO approval.

Joe the TO gets an e-mail from the CWA that there are services requiring approval that have the status of "Pending".

Business Rules: Each service line-item will indicate whether it is an Origin or Destination service. This will be used to help CWA identify whether the line-items require the Origin or Destination PPSO's approval.

The CWA will notify the appropriate PPSO via e-mail twice daily that items exist in CWA requiring their approval.

Joe the TO will then mark the services as “Approved”, “Denied”, or “In Dispute” in the CWA.

Business Rules: The PPSO has three GBDs to assign a status of “Approved”, “Denied”, or “In Dispute”.

“Approved” – PPSO agrees that the services were requested and performed, and with the quantities.

“Denied” – PPSO disagrees that the services were requested and performed. The PPSO must enter a reason in the Notes field for denied line-items.

“In Dispute” – PPSO agrees that the services were requested and performed, but disagrees with the quantities. The PPSO must enter a reason in the Notes field for disputed line-items.

Sue the TSP reviews the status of the shipment in CWA.

If a line-item has a status of "In Dispute", Sue can adjust the quantity for the PPSO to review and approve.

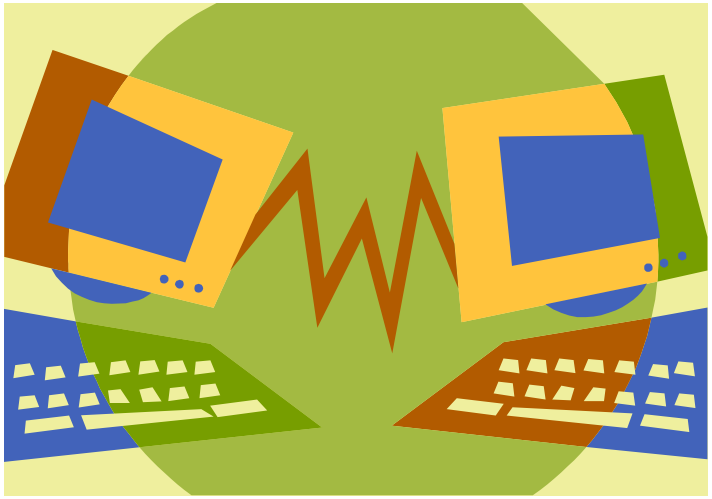
If need be, Sue can contact Joe the TO by phone to discuss

Business Rules: The TSP <u>is the only party</u> that can manually change quantities in CWA. The PPSO cannot change quantities in CWA.

If the TSP makes changes to quantities in CWA, the TSP will also have to make changes to the invoice submitted to PowerTrack.

The TSP and PPSO must manage any dispute resolution in CWA, as both Origin and Destination PPSOs have visibility of their respective line-items submitted for approval. The Destination PPSO does not have visibility in PowerTrack.

Once all the services have a status of “Approved” or “Denied”, the CWA rates the shipment and sends it to PowerTrack.

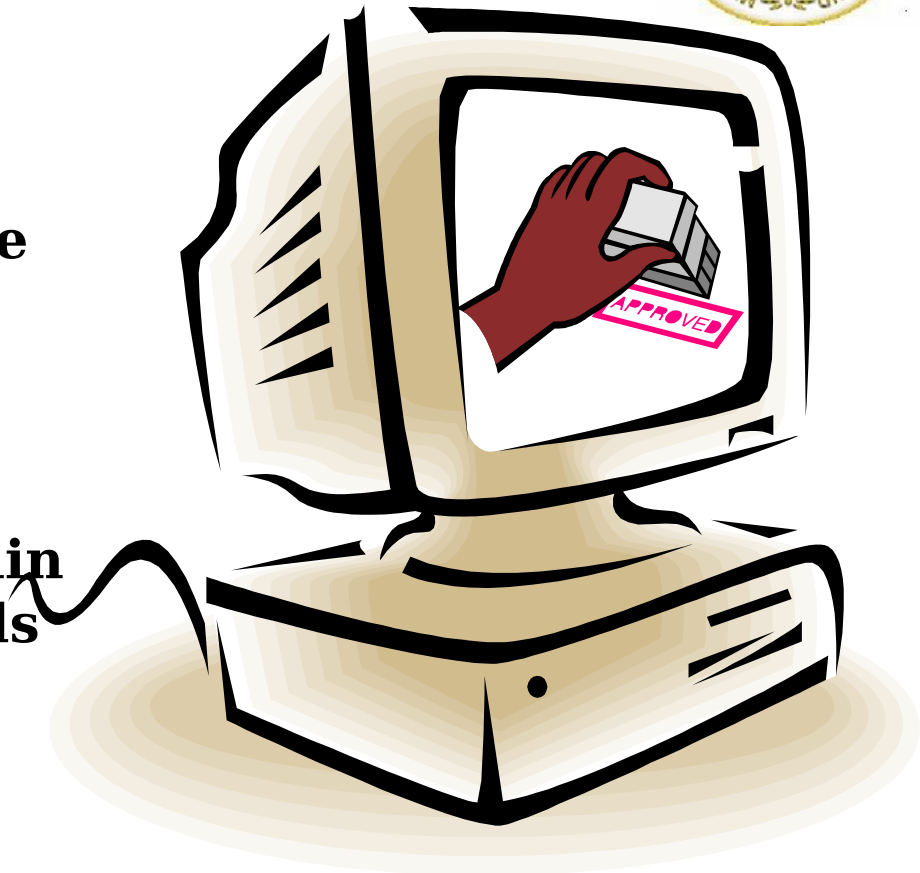


Business Rules: If the shipment has already been rated and sent to PowerTrack, the TSP may include that item on a supplemental invoice to PowerTrack.

“Denied” service line-items will be assigned a quantity of zero and a cost of zero dollars.

The invoice submitted by Sue the TSP is matched in PowerTrack against the shipment rated by CWA.

If the invoice amount is within the tolerances and thresholds established by the Government, PowerTrack automatically approves payment to Sue.



Business Rule: HQ SDDC and Military Services will establish DoD's policy for automated TSP payment approval using PowerTrack's matching model.

If the invoice amount is not within the tolerances and thresholds, PowerTrack will flag the invoice as an “Audit Exception”.

Business Rules: The PPSO must review to determine if there are CWA rating errors requiring a manual fix of the line-item or if an action is required by the TSP.

If the quantity of an item was changed or denied in CWA, the TSP must edit the invoice in PowerTrack or the transaction will be placed in “Audit Exception”. For denied line-items, TSPs must change that item cost and quantity to zero for it to match in PowerTrack.

Once the items and costs match, the invoice will be automatically approved if its total cost falls below the predetermined maximum threshold.

The TSP can resubmit a corrected 859 invoice or use the PowerTrack interface to make adjustments.

In the case where the invoice exceeds the maximum threshold established by the Government, PowerTrack flags the invoice as "Approval Required".

Joe the TO has to manually approve the invoice for

Business Rule: With "Approval Required", even if the PPSO has approved the line-items in CWA, the Origin PPSO still has to manually approve the invoice in PowerTrack. The Origin PPSO has three GBDs to manually approve the invoice.

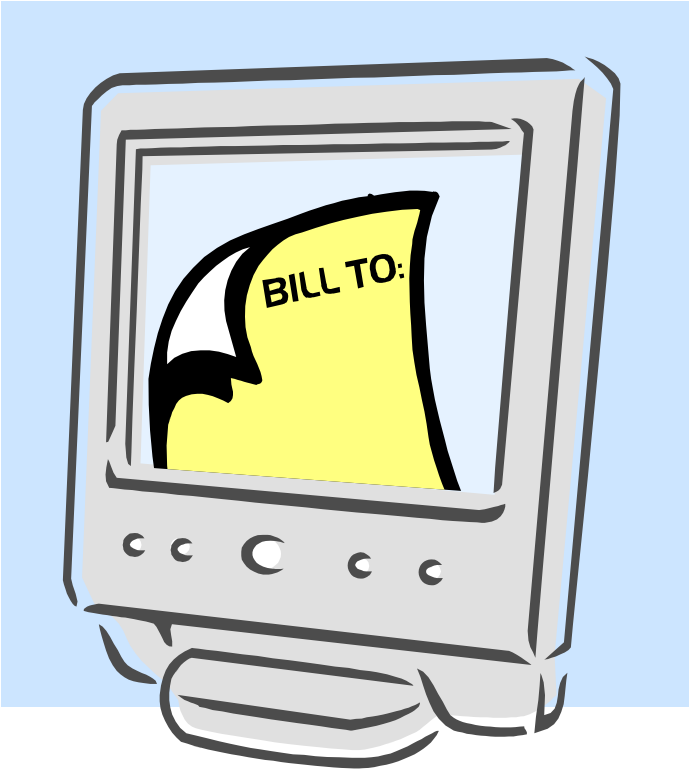
The Origin PPSO must work with the Destination PPSO to correctly approve invoices for payment as only the Origin PPSO has access to the transactions in PowerTrack.

Bank pays Sue the TSP.

Business Rule: Bank will not pay the TSP until the NOSC is submitted by the TSP and the PPSO approves the invoice for payment (either automatically or manually).

Bank pays the TSP by sending an Electronic Funds Transfer (EFT) to the TSP's bank.

In the event dispute resolution is not resolved in CWA between Joe the TO and Sue the TSP, Sue will need to submit a supplemental invoice.



Business Rules: Use of eBills in PowerTrack will be minimal in Phase I as TSPs are encouraged to submit supplemental invoice for additional items not paid on the original invoice. This is done so that the Destination PPSO will have visibility and approval authority of the charges in CWA.

If a TSP owes the Government a refund, a negative supplemental invoice can be submitted for repayments to the Government. For example: Reweighs

After the 15th of each month, Ann the Certifying Officer (CO) must print out the PowerTrack Summary Invoice (PSI), review and certify it, and send it to DFAS.

CO must be a government employee, but may be a Local

Business Rules: The CO will print out the PSI after the 15th of the month (next business day, if the 15th falls on a weekend) or when Bank generates the PSI on the PowerTrack web site, whichever occurs later.

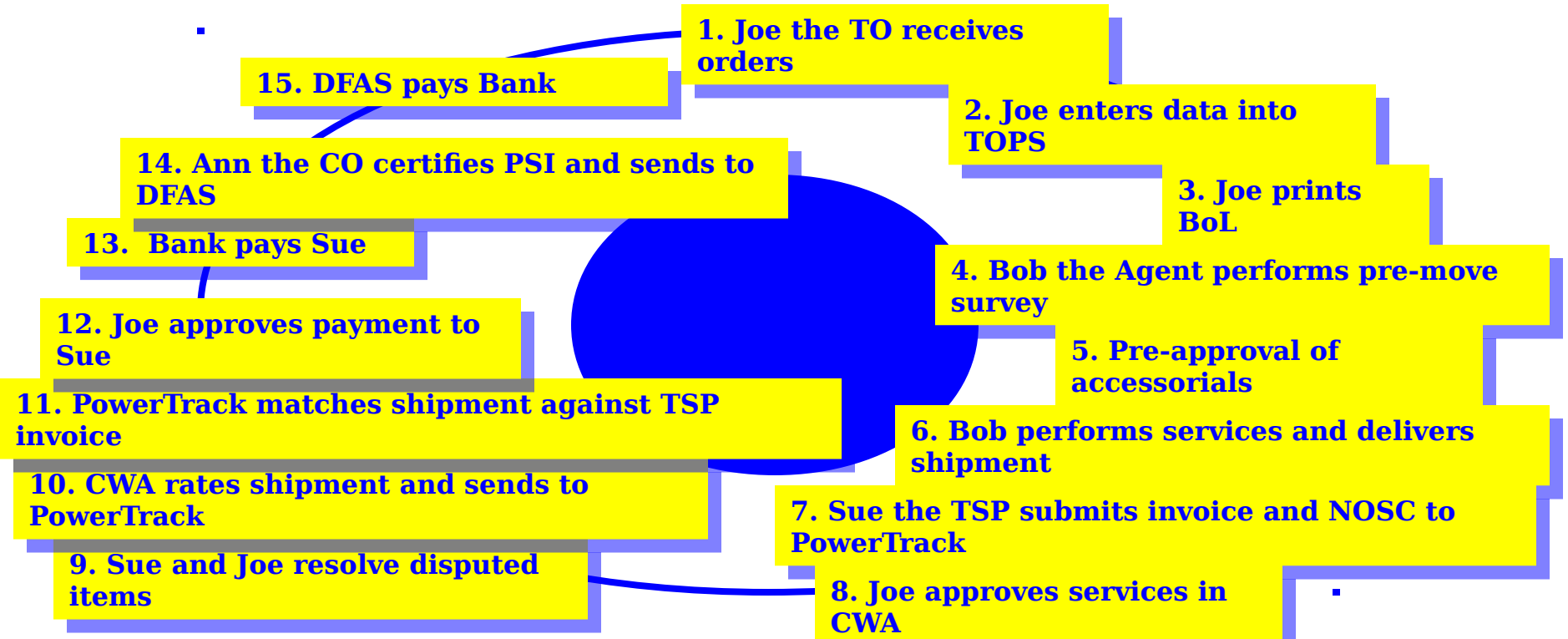
Payment from the Government to U.S. Bank is required in 15 days or less ("net 15 days") from the date the PSI is first available. The PSI must be certified and arrive at the designated DFAS payment center by the fifth GBD following PSI availability.

DFAS then pays Bank.

The shipping cycle is complete.

Business Rule: The entire process of PSI certification and disbursement from DFAS must take place within 15 days of the date the PSI is made available in PowerTrack. After 15 days, Prompt Payment interest begins to accrue on late payments to Bank.

To recap, the life cycle of a personal property shipment in Phase I begins with the receipt of orders by the Transportation Officer and ends with payment settlement to U.S. Bank.


1. Joe the TO receives orders
2. Joe enters data into TOPS
3. Joe prints BoL
4. Bob the Agent performs pre-move survey
5. Pre-approval of accessorials
6. Bob performs services and delivers shipment
7. Sue the TSP submits invoice and NOSC to PowerTrack
8. Joe approves services in CWA
9. Sue and Joe resolve disputed items
10. CWA rates shipment and sends to PowerTrack
11. PowerTrack matches shipment against TSP invoice
12. Joe approves payment to Sue
13. Bank pays Sue
14. Ann the CO certifies PSI and sends to DFAS
15. DFAS pays Bank

Learn More About Phase I

- In this Life Cycle of a Shipment process training, we have covered the overall process at a summary level.
- For more information, please see the following links:

- www.sddc.army.mil
- Personal Property / POV (link at top right)
- Programs Defense Personal Property Program(link at left)
- Under this link:
  - Training documents, Frequently Asked Questions, Help Desk information, Program Updates
  - CONOPS. This includes the sampling procedures for Hard Copy Documentation
  - PPSO Accounting Instructions (i.e. Coast Guard TAC's)
- Under the Phase I link
  - Item Codes, PowerTrack documents

Review – True or False?

Please review each statement and the corresponding True/False answer:

Once my PPSO site is live in Phase I, <u>all</u> invoices will be processed through PowerTrack/CWA

- **FALSE. An invoice must meet 3 specific criteria in order to become a Defense Personal Property Program shipment**

All dispute resolutions occur in CWA

- **TRUE. Review of pre-approvals and line item details will be worked in CWA**

It is the PPSO responsibility to work in CWA, but not PowerTrack

- **FALSE. The PPSO should be reviewing both CWA and PowerTrack on a daily basis**

619 documentation is no longer required

- **TRUE. But please review the Hard Copy documentation section for details**

Conclusion

UNITED STATES
TRANSPORTATION COMMAND

MILITARY SURFACE DEPLOYMENT AND DISTRIBUTION COMMAND

Congratulations!

You have completed the Phase I Functional Overview training. You are on your way to learning the processes and systems of Phase I.

You are now ready for the CWA and PowerTrack training, which will show you how to use these key systems in the Phase I process.

Backup Slides Follow…

Conclusion

History of Defense Personal Property Program (DP3)

Here are the milestone dates in the history of Phase I:

- **7 July 1997 – The Under Secretary of Defense (Comptroller) issued a memorandum, which required the reengineering of defense transportation documentation and financial processes as part of an effort to revolutionize DoD business practices across all Military Services and Agencies.**

- **31 March 1999 – The Deputy Under Secretary of Defense Comptroller issued a memorandum directing implementation of Bank's PowerTrack system to pay for transportation services. (Since this memorandum was released, PowerTrack has been impleme**

History of DP3

- **June 2002 – The United States Transportation Command (USTRANSCOM) Personal Property report was released, and USTRANSCOM directed that work begin on the future Personal Property program.**

- **31 August 2002 – USTRANSCOM tasked the Military Traffic Management Command (MTMC), in conjunction with the Military Services and Industry, to map out Defense Personal Property Program by this date. As part of the Defense Personal Property Program effort, DoD declared that PowerTrack would be utilized as the commercial business-to-business payment system. Note: On January 1, 2004 MTMC was renamed as the Military Surface Deploy[illegible] Distribution Command (SDDC).**

History of Defense Personal Property Program

- **August – December 2002** – To begin moving forward with Families First, a Concept of Operations (CONOPS) outlining the Phase I process was developed. Key elements of the Phase I CONOPS are electronic bill payment and the CWA.

- **19 December 2002** – MTMC (now SDDC) briefed the draft CONOPS for Phase I of Defense Personal Property Program to the Services and Coast Guard, and achieved sign-off on the high-level concept.

Shipments Included in Phase I

- **Mobile Home One Time Onlys (MOTOs) and Boat One Time Onlys (BOTOs) will be included in Phase I, provided qualified MOTO and BOTO TSPs are participating**
  - **Embassies with TOPS access will be the last installations activated**